



# Department of Justice

FOR IMMEDIATE RELEASE  
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**WESTERN NEW YORK ABRASIVE GRAINS MANUFACTURER AND  
VICE PRESIDENT INDICTED FOR FALSE STATEMENTS**

WASHINGTON, D.C. -- A federal grand jury in Alexandria, Virginia, today indicted a New York firm and one of its executives for making a false statement in connection with the purchase of surplus aluminum oxide which is used to make sand paper, grinding wheels and other abrasive products from the United States Department of Defense, the Department of Justice said.

William H. Nehill of Orchard Park, New York, and his firm, Exolon-ESK Company of Tonawanda, New York, were charged in a one-count indictment with submitting a false statement to the federal government in October 1994.

In its bid to purchase aluminum oxide from the Department of Defense's Defense Logistics Agency, Exolon-ESK Company, through Nehill, certified that no principal of the company was under indictment for destruction of records, making false statements, and other federal crimes. However, according to the Department's Antitrust Division, Nehill was indicted by a Buffalo, New York, grand jury on February 11, 1994, for obstruction of justice for destroying records responsive to a grand jury subpoena and for making false declarations under oath. At the same time, the Antitrust Division also charged Nehill, Exolon-ESK, and others, with participating in a price fixing conspiracy involving aluminum oxide.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said today's charge arose in connection with the Department's prosecution of Exolon-ESK Company, Nehill, and other conspirators

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in Buffalo, New York, and the Defense Department's investigation into fraudulent bidding practices by Exolon-ESK Company.

The investigation is being conducted by the Defense Criminal Investigative Service and the Antitrust Division's Litigation II Section, with the assistance of the United States Attorney's office in Alexandria, Virginia.

The maximum penalty for an individual convicted of making false statements is five years imprisonment or a fine of \$250,000 or both. The maximum penalty for a corporation convicted of the same offense is a fine of \$500,000.

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